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MAY 8 2003

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
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ASSISTANT SECRETARIES OF DEFENSE  
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DIRECTOR, ADMINISTRATION AND MANAGEMENT  
DIRECTOR, FORCE TRANSFORMATION  
DIRECTOR, NET ASSESSMENT  
DIRECTOR, PROGRAM ANALYSIS AND EVALUATION  
DIRECTORS OF THE DEFENSE AGENCIES  
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Implementation Guidance on Restructuring Defense Intelligence  
— and Related Matters

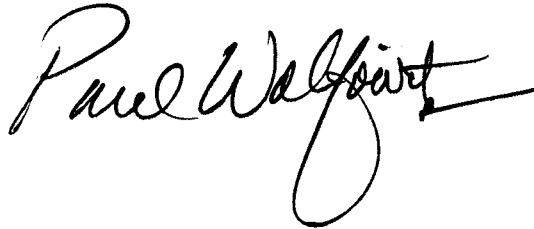
Dr. Stephen Cambone has assumed duties as the Under Secretary of Defense for Intelligence (USD(I)). Effective today, I am establishing an Office of the USD(I) (OUSD(I)) into which all intelligence and intelligence-related oversight and policy guidance functions in the Office of the Secretary shall be organized. Consistent with this direction, all of the associated personnel and other resources in the Office of the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (OASD(C3I)), as well as the authorities delegated to the ASD(C3I), related to intelligence, counterintelligence and security, and other intelligence-related matters shall transfer immediately to the OUSD(I).

In addition, effective today, the position of ASD(C3I)/Department of Defense Chief Information Officer (DoD CIO) is redesignated as the Assistant Secretary of Defense for Networks and Information Integration (ASD(NI2))/DoD CIO. The ASD(NI2)/DoD CIO shall report directly to the Secretary. With the approval of the President, the Secretary has asked Mr. John Stenbit to continue to serve as an Assistant Secretary of Defense under the new title of Assistant Secretary of Defense for Networks and Information Integration/DoD CIO. This position, and the remaining networks, information integration, and DoD CIO functions currently performed by the ASD(C3I)/DoD CIO and the associated personnel, other resources, and delegated authorities shall be realigned into the OASD(NI2)/DoD CIO.



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To expedite the implementation of these and related decisions, I am providing additional guidance, which is attached to this memorandum. The Director of Administration and Management, in coordination with the USD(I), the ASD(NI2)/DoD CIO, the Under Secretary of Defense for Policy, the Under Secretary of Defense (Comptroller), the General Counsel of the Department of Defense, and other cognizant officials shall take the actions necessary to implement this direction.

A handwritten signature in black ink, appearing to read "Paul Wolfowitz", with a stylized flourish at the end.

Attachment:  
As stated

## **Additional Implementation Guidance on Restructuring Defense Intelligence — and Related Matters**

### **A. RESPONSIBILITIES AND FUNCTIONS.**

1. The Under Secretary of Defense for Intelligence (USD(I)) shall serve as the Principal Staff Assistant (PSA) and advisor to the Secretary and Deputy Secretary of Defense on all intelligence, counterintelligence and security, and other intelligence-related matters. These responsibilities include, but are not limited to:

- Providing oversight and policy guidance for all DoD intelligence activities and establishing priorities to ensure conformance with Secretary and, as appropriate, Director of Central Intelligence (DCI) policy guidance.
- Advising the Secretary, the Secretaries of the Military Departments, the Chairman of the Joint Chiefs of Staff (CJCS), and the Combatant Commanders on the performance of national and defense intelligence capabilities.
- Providing policy oversight of all the intelligence organizations within the DoD, to include ensuring these organizations are manned, trained, equipped and structured to support the missions of the Department and fully satisfy the needs of the DCI. Providing assessments of and advising the Secretary and the CJCS on the adequacy of military intelligence performance.
- Advising the Secretary concerning the Department's responsibilities regarding the national intelligence community and supporting the Secretary's role in the Intelligence Community Executive Committee.
- Exercising management and oversight of all DoD counterintelligence and security activities, including personnel security and industrial security.
- Overseeing intelligence support to critical infrastructure protection, departmental information assurance programs and homeland defense.
- Coordinating DoD intelligence and intelligence-related policy, plans, programs, requirements and resource allocations. This includes responsibility for the DoD components within the National Foreign Intelligence Program, the Joint Military Intelligence Program, the Foreign Counterintelligence Program, and the Tactical Intelligence and Related Activities account.
- Ensuring the execution of DoD intelligence policy and resource decisions are fully responsive and complimentary to the direction of the DCI.
- Exercising overall supervision and policy oversight of the DoD intelligence infrastructure and civilian intelligence personnel management systems. This will include policy regarding the Defense Civilian Intelligence Personnel Systems (DCIPS).
- Overseeing provision of intelligence support and involvement in information operations, focused on assessments in support of operations.
- Ensuring that intelligence activities of DoD are conducted jointly, as appropriate.

In this capacity, the USD(I) shall:

1.1. Serve, in conjunction with the CJCS, as the Secretary's intelligence interface in his appointed duties with other government agencies, including the State Department, the Justice Department, foreign governments, international organizations, State agencies, and the Intelligence Community, as well as the Congress.

1.2. Lead departmental activities in programmatic processes related to intelligence and intelligence-related programs, including, but not limited to, program change proposals, program evaluations, assessments, and recommendations. Coordinate with the DCI's staff on joint activities related to intelligence and associated programs. Chair, as appropriate, groups established to address programmatic issues.

1.3. Provide support to the OSD PSAs, as necessary, regarding certain requirements associated with resource management, analysis, budget-preparation matters, reporting activities, congressional material, and architectural design related to those areas under the USD(I)'s responsibility.

1.4. Coordinate with the Assistant to the Secretary of Defense for Intelligence Oversight (ATSD(IO)) and the Inspector General of the Department of Defense to ensure that intelligence components and activities of the Department are in compliance with regulatory guidance and departmental and national policies and directives.

1.5. Coordinate civilian intelligence personnel policy, in particular regarding DCIPS, with the Under Secretary of Defense for Personnel and Readiness.

1.6. Advise the Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)) on intelligence and intelligence-related programs and exercise authorities, as delegated by the USD(AT&L), for acquisition, technology, and logistics regarding intelligence and intelligence-related programs realigned to the USD(I). Participate as a member of the Defense Acquisition Board for systems of which intelligence, intelligence-related support or intelligence inputs or products are involved.

1.7. Maintain close coordination with the DCI and consult with the DCI on the development, design, acquisition and operation of intelligence programs and systems of the DoD.

1.8. Exercise authority, direction, and control over the Defense Intelligence Agency (DIA), the National Imagery and Mapping Agency (NIMA), the National Reconnaissance Organization (NRO), the National Security Agency (NSA), the Defense Security Service (DSS), and the DoD Counterintelligence Field Activity (CIFA). Ensure that these

organizations, as appropriate, have adequate acquisition management structures and processes in place to deliver intelligence programs on time and within budget.

2. The Assistant Secretary of Defense for Networks and Information Integration (ASD(NI2))/Department of Defense Chief Information Officer (DoD CIO) shall serve as the Principal Staff Assistant and advisor to the Secretary and Deputy Secretary of Defense on networks and network centric concepts; command and control (C2), and communications; space policy; and enterprise-wide integration of DoD information matters, including information technology, information management, frequency spectrum management, information systems, information assurance, and related matters. The ASD(NI2)/DoD CIO shall take on increased responsibility for integrating all information and related activities and services across the Department. In this capacity, the ASD(NI2)/DoD CIO shall:

2.1. Report directly to the Secretary of Defense.

2.2. Manage and oversee concept development, systems, and processes for enterprise-wide information integration and assurance as well as networks, command and control, and communications matters in support of the Defense mission.

2.3. Perform those DoD-wide CIO duties now performed by the ASD(C3I) as described in DoD Directive 8000.1, "Management of DoD Information Resources and Information Technology" and other applicable guidance.

2.4. Provide policy, oversight and guidance concerning space activities, in coordination with the USD(P) and in accordance with established DoD Directives. Work with the USD(P), the USD(I), the USD(AT&L) and the DoD Executive Agent for Space to ensure that space-related decisions are integrated with national security policy.

2.5. Provide support to OSD PSAs, as necessary, regarding certain requirements associated with resource management, analysis, budget-preparation matters, reporting activities, congressional material, and architectural design related to those areas under the ASD(NI2)'s responsibilities.

2.6. Provide information integration and network operations support to the mission of Information Operations.

2.7. Advise the USD(AT&L) on networks, command, control, and communications (C3), and information integration and assurance programs and exercise authorities, as delegated by USD(AT&L), for acquisition, technology, and logistics regarding C3 and information programs. Participate as a member of the Defense Acquisition Board for systems of which C3 and information technologies or systems, or CIO issues, are involved.

2.8. Coordinate with the USD(I) to ensure intelligence systems and architecture for collection, analysis, and dissemination of militarily relevant information is consistent and interoperable with DoD command and control and information enterprise systems.

2.9. Exercise authority, direction, and control over the Defense Information Systems Agency (DISA).

## B. OASD(C3I) TRANSFER AND REALIGNMENT ACTIONS.

The 272 full-time permanent (FTP) civilian and military positions (including Senior Executive Service (SES) and Defense Intelligence Senior Level (DISL) resources), 3 Active Guard and Reserve (AGR) and 11 Individual Mobilization Augmentee (IMA) billets from the former OASD(C3I) will serve as the baseline and source for the stand-up of the OUSD(I) and the OASD(NI2)/DoD CIO. The Director, Administration and Management (DA&M), in coordination with USD(I), the ASD(NI2)/DoD CIO, the Under Secretary of Defense for Comptroller (USD(C))/Chief Financial Officer (CFO), and the General Counsel of the Department of Defense (GC, DoD), as well as other cognizant officials, shall identify and effect the transfer or realignment of the functions and associated resources, as directed below, to meet the new responsibilities of these offices.

1. From the OASD(C3I) to the OUSD(I), the intelligence and intelligence-related functions and associated encumbered manpower and other resources of the following offices will transfer:

1.1. Immediate Office of the ASD(C3I): None.

1.2. Director, International Affairs: 3 IMA positions.

1.3. Director, Administration and Management: 3 FTP (3 civilian) positions.

1.4. DASD(Intelligence): 21 FTP (17 civilians and 4 military) and 1 AGR positions. 1 DISL and 3 SES resources.

1.5. DASD(Security and Information Operations): 41 FTP (30 civilian and 11 military) positions. 2 SES resources.

1.6. DASD(Deputy Chief Information Officer): None.

1.7. DASD(Resources): 8 FTP (8 civilian) positions.

1.8. DASD(C3ISR, Space and IT Programs): 15 FTP (8 civilian and 7 military) positions. 1 SES resource.

- 1.9. DASD(Spectrum, Space, Sensors and C3): 3 FTP (3 civilian) positions.
2. From the OASD(C3I) to the OASD(NI2)/DoD CIO, the networks and information integration-related functions and associated encumbered manpower and other resources of the following offices will be realigned:
  - 2.1. Immediate Office of the ASD(C3I): 9 FTP (5 civilian and 4 military) positions. 1 Presidential Appointment/Senate Confirmation position and 1 SES resource.
  - 2.2. Director, International Affairs: 3 FTP (2 civilian and 1 military) and 5 IMA positions. 1 SES resource.
  - 2.3. Director, Administration and Management: 8 FTP (6 civilian and 2 military) and 1 AGR positions.
  - 2.4. DASD(Intelligence): None.
  - 2.5. DASD(Security and Information Operations): 4 FTP (3 civilian and 1 military) positions.
  - 2.6. DASD(Deputy Chief Information Officer): 48 FTP (46 civilian and 2 military) positions. 7 SES resources.
  - 2.7. DASD(Resources): 19 FTP (18 civilian and 1 military) positions. 4 SES resources.
  - 2.8. DASD(C3ISR, Space, and IT Programs): 24 FTP (14 civilian and 10 military) positions. 4 SES resources.
  - 2.9. DASD(Spectrum, Space, Sensors and C3): 34 FTP (27 civilian and 7 military) positions. 4 SES resources.
3. Vacancies. There are 32 vacant FTP (29 civilian and 3 military), 1 vacant AGR, and 3 vacant IMA positions within the OASD(C3I) organization. The 36 resources will transfer or be realigned as follows:
  - 3.1. OUSD(I): 16 FTP (15 civilian and 1 military) and 1 AGR positions.
  - 3.2. OASD(NI2)/DoD CIO: 16 FTP (14 civilian and 2 military) and 3 IMA positions.

4. Vacant SES Resources. There are seven SES resources associated with vacant executive level positions that shall be allocated on the basis of the functional and position alignment supporting their original justification. The seven resources will transfer or be realigned as follows:

4.1. OUSD(I): DASD, Intelligence; Director, Intelligence Policy; Director, Security; Principal Director, DASD Programs and Evaluation; and Director, Sensors.

4.2. OASD(NI2)/DoD CIO: Director, Space Policy and Staff Assistant, Requirement Analysis.

#### C. OTHER OSD TRANSFER ACTIONS.

The DA&M, in coordination with the USD(I), the USD(P), the USD(C)/CFO, and the GC, DoD, as well as other cognizant officials, shall identify and effect the transfer of the functions and associated resources, as directed below.

1. From the OUSD(P) to the OUSD(I), the intelligence and intelligence-related functions and associated manpower and other resources of the following offices will transfer:

1.1. Special Advisory Staff: 1 FTP (1 civilian) position. The Special Advisory Staff resources associated with staff support to the USD(P) for certain National Security Council matters will remain, to include 3 FTP (2 civilian and 1 military) positions. On matters of implementation and relations with the Intelligence Community, these personnel shall report to the USD(I).

1.2. Office of Technology Analysis: No dedicated FTP positions.

2. From the Immediate Office to the OUSD(I), the functions and associated manpower and other resources of the Special Assistant to the Secretary of Defense for Intelligence will transfer: 1 FTP (1 civilian) position. 1 SES resource.

#### D. ADDITIONAL RELATED ACTIONS.

1. The USD(AT&L), in coordination with the USD(I), the ASD(NI2)/DoD CIO, the GC, DoD and the DA&M, shall review existing delegations that have been realigned by this memorandum and update, redelegate, or make separate recommendation, as needed, on any delegations of Milestone Decision Authority from the USD(AT&L) to the USD(I) and the ASD(NI2)/DoD CIO, based on their respective responsibilities.

2. The USD(C)/CFO, in consultation and coordination with the USD(I) and the ASD(NI2)/DoD CIO, shall:

2.1. Develop and submit to the Deputy Secretary for approval, a fiscal resource plan that details funding requirements, how existing and budgeted OASD(C3I)/DoD CIO funding will be allocated between the OUSD(I) and OASD(NI2)/DoD CIO organizations, and a plan for resourcing any requirements above the current level of OASD(C3I)/DoD CIO funding, as soon as possible, but no later than July 1, 2003. This plan should be coordinated with all impacted organizations.

2.2. Promulgate, in consultation with the USD(P) and the Director, Program Analysis and Evaluation (PA&E), updated planning, programming, and budgeting guidance documents, beginning with the current program cycle, that reflects these organizational, functional, and personnel realignments, as appropriate. If these changes are not feasible due to budget-submission deadlines, adjustments, as appropriate, will be made during the next budgetary cycle.

3. The Director, PA&E, in consultation and coordination with the USD(I) and the ASD(NI2)/DoD CIO, during the Fiscal Year 2005-2009 Program, Budget and Execution Review, shall establish appropriate program elements for the OUSD(I) and the OASD(NI2)/DoD CIO.

4. The USD(P), in consultation with the Director, PA&E, shall ensure that the realignments to guidance, planning and programming systems are reflected in the Defense Planning Guidance.

5. The USD(I) shall, in consultation with the USD(P) and the ASD(NI2)/DoD CIO, review the functions related to information operations (IO), security, and critical infrastructure protection, as transferred into the OUSD(I), and information assurance, as realigned into the OASD(NI2)/DoD CIO, and assess the associated assignment of core and collateral responsibilities to the USD(I), the USD(P), and the ASD(NI2) for consistency with the Secretary's direction on the IO Roadmap and other relevant transformational guidance and direction. The assessment shall be provided to the Deputy Secretary for approval, as soon as possible, but not later than July 1, 2003, and in coordination with the CJCS, the USD(AT&L), the GC, DoD, the DA&M, and other cognizant officials.

6. The USD(I) and the ASD(NI2)/DoD CIO, in their respective functional areas of responsibility, shall update and streamline existing DoD Directives, Instructions, and other related issuances, to implement this memorandum and any other required changes resulting from the establishment of the OUSD(I) and the OASD(NI2)/DoD CIO. Coordinate the issuances in accordance with DoD 5025.1-M, "DoD Directives Systems Procedures."

7. The ATSD(IO) shall be a cognizant official regarding compliance of intelligence or intelligence-related systems and functions that are integrated into ASD(NI2)/DoD CIO functions with regulatory guidance and departmental and national policies and directives.

8. The DA&M shall:

8.1. Provide a separate recommendation to the Deputy Secretary for approval, in coordination with the USD(I), the ASD(NI2)/DoD CIO, the GC, DoD, and other cognizant officials, on the best organizational placement of DoD policy regarding space, as soon as possible, but no later than July 1, 2003. In the interim, DoD policy oversight for space will reside in the OASD(NI2)/DoD CIO.

8.2. Develop and submit to the Deputy Secretary for approval, new chartering DoD Directives for the USD(I), and the ASD(NI2)/DoD CIO, as soon as possible, but no later than October 1, 2003. Develop and submit to the Deputy Secretary for approval, a revised chartering DoD Directive for the USD(P), as soon as possible, but no later than October 1, 2003.

8.3. Develop and submit to the Deputy Secretary for approval, revised chartering DoD Directives on the following organizations, subsequent to the approval of and consistent with the USD(I) and the ASD(NI2)/DoD CIO chartering DoD Directives: DIA, NIMA, NRO, NSA, DSS, DoD CIFA, DISA, and the ATSD(IO).

8.4. Oversee official personnel actions, which includes detailing and reassigning personnel to the USD(I) and the ASD(NI2)/DoD CIO, consistent with applicable statutory, regulatory, and DoD policy requirements.